Operator: Ladies and gentlemen, good day and welcome to the JSW Steel Ltd Q2 FY27 conference call. As a reminder, all participant lines will be in listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal the operator by pressing star and then zero on your touchtone phone. I now hand the conference over to Mr. Ashwin Bajaj. Thank you, and over to you.

Ashwin Bajaj: Thank you, operator, and a very good evening, ladies and gentlemen. Welcome to JSW Steel's earnings call for Q2 FY27. We have with us today the management team represented by Mr. Jayant Acharya, Joint Managing Director and CEO; Mr. GS Rathore, Chief Operating Officer; Mr. Arun Maheshwari, Director of Commercial and Marketing; and Mr. Swayam Saurabh, the CFO. We will start with opening remarks by Mr. Acharya and then open the floor to the Q&A. Over to you, Mr. Acharya.

Jayant Acharya – MD & CEO: Thank you, Ashwin. Good evening, everyone. The global economy has remained resilient despite continued geopolitical and inflationary pressures, with the IMF upgrading its global forecast for 2026 to 3.1% and maintaining its outlook for 2027 at 3.4%. Growth is being supported by AI-led investments and improving manufacturing activity, although the Middle East conflict and its impact on energy prices and supply chains, along with elevated bond yields, remain key pressure points. The US economy has been supported by strong consumer spending despite inflationary pressures. In China, export strength has supported manufacturing while domestic demand has been weak. Recent policy measures are expected to support investment and infrastructure demand.

India continues to stand out as the fastest-growing major economy with structural growth drivers. The IMF and RBI have upgraded their FY27 GDP growth forecasts to 7% and 7.1%, respectively. Industrial activity, exports, and automotive demand have been strong despite global headwinds, indicating strong economic activity. Strong public and private investments across sectors continue to support the capex cycle. However, elevated energy prices and inflationary pressures arising from an uneven monsoon are key risks to monitor, and the RBI has adopted a more hawkish stance and hiked policy rates recently.

Coming to the steel industry, Indian steel consumption has continued to grow, with Q2 seeing growth of 7% and H1 seeing growth of 7.5%. India's total steel exports and imports for H1 are broadly balanced; however, on a finished steel basis, India was a net importer. Domestic steel demand is expected to grow between 7% and 8% in FY27. In China, steel production and consumption both continued to decline. During January to September, production decreased by about 3%, while consumption contracted by about 4%. While finished steel exports are down by 2%, steel exports overall, including semis from China, are up by 3.3% during this period. This is due to elevated exports, primarily of the semis I mentioned.

On sustainability, we continue to make progress toward our objective of becoming net carbon neutral by 2050. To promote resource circularity and reduce dependence on imported scrap, we are setting up processing centers across India. The first 0.5 million-ton center at Khopoli, where we commissioned the baler during Q2, will have the shredder commissioned by the end of Q3. During H1 FY27, scrap utilization increased by more than 10% year-on-year, reducing the carbon footprint

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of our operations. We continue the transition to green mobility and have deployed 134 electric buses and 98 electric cars across Vijayanagar, Dolvi, and Salem to date. Our sustainability efforts have been recognized with the 2026 World Steel Steelie Award for excellence in clean steel production and the ICC Platinum Award for occupational health and safety excellence.

On operating performance, despite a challenging geopolitical backdrop and the resulting pressures on supply chains and input costs, JSW Steel delivered a strong operational performance. Crude steel production on a consolidated basis and in our India operations was the highest ever at 7.27 million tons and 7.07 million tons, respectively, with both growing by about 5% year-on-year. Blast Furnace 3 at Vijayanagar has ramped up well following its light-up at the end of June, reaching about 90% utilization during the quarter. The JVML operations achieved record quarterly production. However, our India operations achieved utilization of about 88%.

Our consolidated sales were the highest at 7.46 million tons, growing by 13% year-on-year. Sales from Indian operations were also the highest at 7.27 million tons, growing by 14%, driven by a demand recovery in the second half of Q2. We achieved our highest-ever domestic sales at 6.29 million tons, up by 12%, outpacing Indian market growth. Our focus on value-added steels helped us deliver record sales of value-added and special products of 4.11 million tons, up 11%. Our focus on strategic sectors continued. Institutional sales grew by 15% year-on-year, while auto sector sales were the highest ever, growing by 36% year-on-year. Sales to the appliance and renewable sectors also grew by a healthy 28% and 14%, respectively.

Coming to the financial results, in Q2, JSW Steel reported consolidated revenue of 54,486 crores and adjusted EBITDA of 9,941 crores, with an EBITDA margin of 18%. PAT stood at 5,359 crores. The quarter was impacted by high costs and supply chain disruptions. Overall, input costs were higher, particularly coking coal, which increased by about $10 per ton, somewhat lower than our earlier guidance of $12-$15 for this quarter. Iron ore costs were also slightly higher, along with other input costs. Realizations fell quarter-on-quarter, mainly on account of lower long steel prices.

Performance at our overseas operations improved sequentially, mainly driven by better realizations. Last quarter, we commissioned a vacuum tank degasser at Ohio. This will enable us to produce higher-grade steel, especially API grades. Q2 EBITDA at Ohio increased quarter-on-quarter, although operations were impacted by a scheduled maintenance shutdown in September. Operations at the plate and pipe mill in Texas were also impacted by a shutdown taken for the upgrade of the plate mill in September. However, EBITDA was sequentially higher on higher prices. The US operations together generated EBITDA of about $19 million. The Italian rail mill reported $7 million, flat versus Q1.

Our net debt stands at 44,482 crores, with leverage and gearing improving further to 1.28 and 0.39, respectively. Revenue acceptances stood at US$2 billion. Capex spent during the first half of this financial year was 11,136 crores, and we expect to meet the guidance of 22,000-24,000 crores of capex during this financial year.

On our joint venture, we have provided the performance details of JSW JVC Steel. JJSL had sales of 0.92 million tons and healthy EBITDA of 1,136 crores. There was a PAT loss due to a stamp duty provision related to the BPSL transaction. Excluding this, PAT was positive.

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Let me update you on the growth projects so far. We are making steady progress toward our goal of reaching 78 million tons of capacity in India by FY32, including our joint ventures. Steelmaking projects at Dolvi, Utkal, JVML, and Kadapa are progressing well. The slurry pipeline in Odisha remains on track to be commissioned by March 2027. Our various downstream projects across locations are also progressing well.

Today, the Board has approved additional projects. Let me briefly take you through them. We have received approval for Phase 2 of 5 million tons at JSW Utkal in Odisha. This will take the JSW Utkal capacity in Odisha to 10 million tons. The 5 million-ton Phase 1 is already under construction. [hesitates] Construction of the second phase, which has just been announced, will begin. Phase 1 is expected to be commissioned by Q3 FY30 and Phase 2 by Q1 FY31. We have added an 8 million-ton pellet plant at the JVML Vijayanagar site. This will enable us to use locally sourced iron ore fines instead of costlier lumps. We will also set up an additional converter and caster for the JVML Phase 2 expansion.

Jayant Acharya – MD & CEO: [pause] This will create additional melting and casting capacity to take the overall crude steel capacity at the Vijayanagar location to 25 million tons. At the ongoing Dolvi Phase 2 project, we are adding a caster and plate processing facility. This will upgrade the capacity of the {? CSP ?} mill to 7 million tons and enable us to process additional slabs into hot-rolled coil and plates.

On the downstream side, we are expanding our Vasind operations with a CRM complex of 1.8 million tons per annum. Commissioning is expected by Q2 FY30.

On our strategy to enhance raw material security, we continue to remain focused. As you know, we completed the acquisition of the MDR coking coal deposit in Mozambique in March 2026 and are focused on rapidly bringing it into production. The Board has approved further capex for a mine capacity of approximately 9 million tons of clean prime hard coking coal. Production will commence in CY28 and ramp up gradually in subsequent years.

Further capex has been approved for developing our captive iron ore mines and coking coal mines and washeries in India. We currently have 25 iron ore mines, of which 13 are operational, with work underway to operationalize the remainder and expand some of the operating mines. The three new mines in Karnataka are now expected to be commissioned in Q4 FY27. This will provide additional capacity of around 4 million tons, taking the overall capacity in Karnataka to about 15 million tons per annum of iron ore. Our four iron ore mines in Goa can provide approximately 6 million tons of iron ore.

We are working to get our coking coal washeries at Parbatpur and Dugdha operational by next year. This will enable us to process domestic coking coal from our captive mines and linkages with {? BCCCL ?} and should provide us with usable clean coking coal of approximately 3.5 million tons per annum.

In our {? JJSL ?} joint venture, we and our partner JFE Steel have approved an expansion of the steel facilities by 5 million tons per annum. This will take the total capacity of the plant to 9.5 million tons and is planned to be commissioned by FY31.

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In the last quarter, we had reported our capex pipeline of 1.3 lakh crores to be spent over the next four to five years. With these new announcements, our total capex plan now stands at 1.48 lakh crores. This capex will be spent over the next five to six years. This capex will be funded primarily from internal accruals, and we have a strong balance sheet and available headroom to support our growth plans.

The JSW One platform, an online platform in which we have a 66% equity stake, saw steel volumes grow by 53% year-on-year, and the {? GMB ?} rose by 77% to 6,989 crores in Q2. Credit offerings contributed approximately 2,400 crores of {? GMB ?}, up 91%, and the platform continued to deliver positive EBITDA.

Looking ahead, we expect volumes to increase in Q3, with stronger production on the back of full production from Vijayanagar BF3 and {? JMBM ?} operations. Coking coal costs are expected to rise by about $25 in Q3, in line with the sharp increase in prices in the latter half of Q2. Iron ore costs are expected to be marginally higher in Q3. Domestic steel demand will remain strong and is expected to grow by 7%–8% in FY27, driven by public and private capex, manufacturing, and automotive demand. We are on track to meet the production and sales guidance given for the year.

In conclusion, I would like to say that the government's recent draft National Steel Policy 2047 envisions India's steel consumption reaching 505 million tons by 2047 and steelmaking capacity reaching 600 million tons, with production of 530 million tons. While India's current per capita steel consumption stands at 116 kilos, well below the global average of about 210 kilos, it is projected to reach about 300 kilos by 2047. This underscores the significant headroom for long-term demand growth. Against this backdrop, JSW Steel is ideally positioned to accelerate growth and play a defining role in India's growth story while remaining focused and disciplined on capital allocation and value creation. We are happy to take questions. Thank you.

Operator: Thank you. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press star and one on their touchtone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. We have the first question from the line of Amit Dixit from Goldman Sachs. Please go ahead.

Amit Dixit – Goldman Sachs: Hi. Good evening, everyone, and thank you for the opportunity. Congratulations on a good set of numbers. I have two questions. While we are announcing steel capacity expansion, I wanted to understand your thoughts on equivalent iron ore integration. I understand that we have mines, but I wanted your thoughts on beneficiating the locally available iron ore because some of the iron ore we have is of relatively lower quality. I also wanted to understand whether the option of importing iron ore is open and how much iron ore we imported in H1 FY27. That is the first question.

Jayant Acharya – MD & CEO: [pause] I will request my colleague Arun to answer this.

Arun Maheshwari – Director of Commercial and Marketing: Regarding iron ore, definitely, as India grows, our steel and iron ore requirements are also growing, and I think JSW is fully prepared as of now. Our EC capacity for all operational mines is about 42 million tons. That is one part of it. The

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other operational mines that are likely to come up and are at different stages of exploration will, more or less, enable us to cover up to 50% of the requirement captively as of today.

As we develop processing of our low-grade iron ore in Karnataka and Andhra Pradesh, our self-reliance in iron ore sourcing will further increase from here on. As far as India's overall demand is concerned, imports remain an option. Given the likelihood that iron ore prices will correct in the years to come, this is probably one area that can be closely monitored as an option. However, the development of iron ore mines in Odisha, in the Gadchiroli area, in Andhra Pradesh, and in other parts of India is manageable. It will not be a major challenge as we look forward.

Jayant Acharya – MD & CEO: We will continue to develop the assets we have. As we mentioned, we have 25 iron ore mines, of which 13 are operational, and the balance will be operationalized. We will continue to bid strategically for new assets that become available. Our idea is to take our raw material security in iron ore to the next level as well, and we will remain focused on that.

Amit Dixit – Goldman Sachs: That is helpful. The second question is essentially on realization. As you alluded to the cost guidance for Q3, is it possible to give us an indication, based on spot prices and the negotiations you might be having with automotive players, of what kind of realization increase we can expect? In particular, could you highlight the indications you are getting from auto companies?

Jayant Acharya – MD & CEO: [pause] Let me put it this way: prices are basically following demand. In the last quarter, if you recall, in June and July we saw a price dip, especially starting with long products, given the Middle East war environment and a weaker quarter because of the monsoon. However, as the monsoon eased, demand picked up in the second half of the quarter. That enabled us to increase prices and recover, to some extent, the prices we had lost. In addition, the price increase in October will be fully reflected in the October-December quarter.

Having said that, we are also mindful that costs are going up. As we guided, coking coal will go up by $25, iron ore will also go up to some extent, and other costs such as zinc, tin, and ferroalloys have all seen an increase. However, our expectation is that we will be able to offset the costs and add incrementally to the margin over Q2. Auto sector negotiations are ongoing, and we will not be able to give you any indicator as of now for the next quarter. The previous quarter's auto sector negotiations are closed.

Amit Dixit – Goldman Sachs: Okay. What was the price differential that we got?

Jayant Acharya – MD & CEO: I will request our team to provide that to you offline.

Amit Dixit – Goldman Sachs: Okay, sir. Thank you very much, and all the best.

Jayant Acharya – MD & CEO: Thank you.

Operator: Thank you. Participants are requested to kindly restrict their questions to two per participant. We have the next question from the line of Amit Lahoti from Aditya Birla Capital. Please go ahead.

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Amit Lahoti – Aditya Birla Capital: Thank you for the opportunity, and congratulations on a good set of numbers. My question is on the capital structure of the Sambalpur JV. When looking at the current debt profile plus the incremental debt associated with this 5 million-ton capex announcement, it appears that net debt to EBITDA could go as high as 10x at the peak of capex. My question is whether the balance sheet risk is fully borne by the JV, or whether there is any ring-fencing at the JSW Steel level from these liabilities.

Jayant Acharya – MD & CEO: [pause] Swayam, I will request you to answer the question.

Swayam Saurabh – CFO: Thank you, Jayant. We do not believe net debt to EBITDA will go to 10x. We do recognize that during the project phase, net debt to EBITDA could go slightly higher. However, we believe that with the kind of cash this business has generated, including this year, we will be able to get through it comfortably. We have, by design, ring-fenced JSW Steel, and we believe that will remain intact.

Jayant Acharya – MD & CEO: Just to add to this, there is no concern regarding the growth plan or our ability to manage it. The site is ready for expansion, and it therefore makes sense for us to take up that expansion now. The market is providing us with the platform to do so. We are quite confident that we will be able to carry out the expansion in a financially prudent manner.

Amit Lahoti – Aditya Birla Capital: Noted. Thank you.

Operator: Thank you. We have the next question from the line of Akhilesh Kumar from MK Global. Please go ahead.

Akhilesh Kumar – MK Global: Hi. Thank you for the opportunity. My first question is on coking coal. With coking coal already near $270 per ton because of Chinese mining issues, and with further Australian cyclones coming up in the coming quarters that will eventually impact coke prices, how do we see the coking coal market panning out, and what will be the impact on our margins, if any, during the second half of FY27? That is my first question.

Arun Maheshwari – Director of Commercial and Marketing: [pause] The coking coal market is elevated from the lows we have seen over the last couple of quarters. However, that is largely because there were a couple of accidents in China and Mongolia has not been able to ship some of its cargoes to China. These are the reasons China has been buying in the market. We have seen Chinese buying decline again over the last couple of weeks.

Having said that, these elevated prices are not applicable only to one particular country or company. They are applicable to the entire world and the entire steel industry. If the cost goes up, it will apply to almost every company across the industry. Therefore, it will not have a specific negative impact on any particular company. Having said that, costs will certainly go up if prices remain at these elevated levels. For this quarter, however, we have guided that the coking coal cost in the coming quarter would be approximately $25 higher, and that is factored into our outlook.

Jayant Acharya – MD & CEO: Just to add to this, as we said, our focus is on using more domestic coking coal. That is why, in the opening commentary, we highlighted that we are adding washeries and focusing on blending domestic coking coal. This will give us a cost advantage and enable us to

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offset, to some extent, the higher imported cost.

Akhilesh Kumar – MK Global: Understood. My second question is on the current net debt at the BPSL level. How should we look at it going forward as well? In our valuations, we value JSW and BPSL separately. How should we look at it?

Swayam Saurabh – CFO: [pause] The current debt at the BPSL level will progressively go down as we undertake the next phase of expansion, which would mean that some debt will be added. We have conducted a calibrated simulation of what peak net debt could be. As I answered earlier, we remain confident that while the [hesitates] absolute number might go up, net debt to EBITDA will remain very healthy.

Akhilesh Kumar – MK Global: Understood. That is all from my side. Thank you.

Jayant Acharya – MD & CEO: Thank you.

Management: [pause] Net debt to EBITDA will remain elevated for some time, but the JV will be able to complete the project without any unexpected stress.

Akhilesh Kumar – MK Global: What is the current net debt level at the JV as of {? September 2024 ?}, if you can provide guidance on that?

Management: I will ask our Investor Relations team to provide this information one-to-one.

Akhilesh Kumar – MK Global: Sure, thank you.

Operator: Thank you. We have the next question from the line of Sumangal Nevatia from Kotak Securities. Please go ahead.

Sumangal Nevatia – Kotak Securities: Good evening. Thank you for the opportunity. My first question is on capex. JSWML Phase 2 and Utkal Phase 2 have similar 5 million-ton capacities, but JSWML is almost 10,000 crores higher. I want to understand whether there is any difference in the configuration or whether some backward integration capex is also included.

Management: We had guided, if you remember, when we started Phase 1, that the Phase 1 cost of Odisha plus the Phase 2 cost, when added together, would result in a total cost of about 48,000 crores for 10 million tons. Look at it from that perspective and then compare. Secondly, Phase 2 does not have a hot strip mill, whereas JSWML does.

Sumangal Nevatia – Kotak Securities: Understood. That helps. My second question is on prices. Could we get the NSR or perhaps long and flat prices in October compared with what we saw in Q2? Also, could you explain what is happening with long prices? In the last quarter's call, you said that the correction in long prices was overdone, and prices went through the roof after that. I would like your sense of the volatility in long steel prices in India.

Management: Long steel prices have historically been volatile during the monsoon period. This time, they were also more significantly impacted by the Middle East crisis and the availability of labor. That affected construction activity overall and resulted in a sharp fall in long steel prices. After the monsoon moderated and some confidence returned to the market, construction activity picked

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up. Public capex by the Government of India in June and July was quite strong, and that also resulted in an uptick in overall construction-related economic activity in August and September. That is why you are seeing a better pricing environment. From a demand perspective, I would say that in the second half of this year we will see continued growth in long steel, especially after the festivities.

On the hot-rolled side, flat steel prices, in particular, did not correct as sharply, although they did correct to some extent. Prices have now recovered from the decline we saw during Q2. We feel that prices now reflect a reasonable level, giving the steel industry the ability to maintain margins and reinvest in the capex that we have started.

Sumangal Nevatia – Kotak Securities: Understood. If I may ask one more question on iron ore, although prices in India are fairly flat and are not correcting in line with what is happening in the seaborne market. I want to understand whether there is any supply issue in the country or whether we should expect prices in India to catch up with the weakness in the global market.

Management: In dollar terms, if you look at it, there is definitely some weakness in the international market. However, in rupee terms, if you convert that on the basis of the current dollar parity, international prices are more or less flat as well, if we look at it that way. The other factor is that in the domestic market, iron ore supply has not increased as much as demand has grown over the last one or two quarters.

That is where the situation is playing out to some extent. On top of that, there has been a major derailment at the NMDC Chhattisgarh mines, where supply has now been disrupted for almost 20-25 days. This has affected a large portion of iron ore availability. In addition, the monsoon has been very erratic in some parts of the mining areas, especially in Central India and parts of Odisha, where movement has been affected. Given all this, there has been a slight disruption in iron ore supply, which is a normal phenomenon in this part of the year because of the monsoons. Going forward, I think it generally looks more or less flat at this level because prices were elevated much earlier than expected. We therefore feel that prices will be more or less flat going forward.

However, given that international prices have corrected directionally, the domestic industry will usually also catch up after the supply bottlenecks following the monsoon improve. Therefore, we do expect a softer iron ore environment as we move into the next few quarters.

Sumangal Nevatia – Kotak Securities: That is very helpful. Thank you, and all the best.

Operator: Thank you. We have the next question from the line of Pinakin from HSBC. Please go ahead.

Pinakin – HSBC: Thank you very much. I have three questions, all related to the capex program. My first question is on capex. When these cost projections were given or these projects were built out, I assume it would have been early this year or last year. The currency was at a certain level, and it has since seen meaningful depreciation. Is there a risk that these capex numbers could increase as we factor in the higher currency over the next few years?

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Management: We factor in a normative depreciation of the rupee, or the equivalent forward-cost coverage cost over the capex period, into the cost that we announce in INR terms. Therefore, I do not see that as a new risk.

Pinakin – HSBC: Understood. My second question to Mr. Acharya is that JSW would start working, or is effectively working, on four simultaneous blast furnace and steel sites, and five including Kadapa. I do not think India has historically had four or five steel plants being built simultaneously. What constraints do you see in terms of your supply chain or the ability of your EPC contractors to execute these projects? The company can provide land and capital, but what potential issues do you see at the supply chain and execution level?

Jayant Acharya – MD & CEO: The question is valid because there are multiple sites, and contractors, labor, and manpower have to be enabled. The positive factor we are seeing in the East is that most of the labor and workers who previously used to come from the East to our projects in the South and West have, after COVID, shown a tendency to remain closer to home. The availability of labor in the eastern part of the country is therefore better. We are not really seeing much of a labor shortfall in the JSW Utkal expansions.

From a contractor standpoint, we are trying to enable various contractor ecosystems to develop and work alongside our existing contractors, and that is working well. We expect this to add to the overall contract manpower that they bring in.

For the blast furnaces, we have a system in place. When Blast Furnace 5 was completed at Vijayanagar, the entire team and the contractor were shifted to Blast Furnace 6. Similarly, while carrying out Utkal Phase 1 and Phase 2, we are doing so in a seamless manner so that deployment and redeployment are reduced and the work continues seamlessly. To some extent, this also enables us to retain the labor and contractors in place as we expand our capacities. While your question is valid, I think the company has taken various steps to improve the availability of contractors and labor, and we are quite confident that we will be able to carry out the work across all these sites. Mr. Rathore will add one more point. Just one second.

GS Rathore – Chief Operating Officer: Over the years, we have been able to develop the expertise to execute projects in-house. Dolvi and Vijayanagar, being more established plants, will provide trained manpower to all these new locations. Kadapa, being closer to Vijayanagar, will be taken care of, and by the time we finish Dolvi next year, people will be transferred there. We have already mobilized key people from these two locations to the new locations to take care of supervision from the JSW side. That expertise has therefore been developed.

As far as contractors are concerned, we are trying to identify two or three large contractors who will take care of the blast furnace and steel melt shop, which are the larger projects. The smaller projects, such as the hot strip mill and the remaining work, will be carried out by Tier 2 and Tier 3 contractors. We have also worked very hard to resolve the software issues that will help us retain manpower for these executions.

Pinakin – HSBC: Understood. My last question is that, with the Board announcements today, the crude steel addition is roughly around {? 26 million tons ?}, including Dolvi, on which the company is starting work. However, we have not yet seen a commensurate announcement or increase in

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value-added steel capacity, such as HRPs, cold-rolling mills, and so on. When should we have visibility on capex for downstream facilities relative to the upstream capacity that has been announced at this point?

Management: In the Vijayanagar complex, if you recall, we have already announced our electrical steel expansion projects. We announced the joint venture for CRGO, both for Nashik and Vijayanagar. We have now announced the downstream project in Vasind. In earlier quarters, we announced expansion in the Khopoli downstream facility and also in Rajpura. We are therefore continuing to expand our downstream operations. You will also see more downstream capacity being built as we move into subsequent quarters.

Also keep in mind that the value-added and specialty products we are targeting include products from the hot-rolled section as well. The Kadapa hot-rolled section, which will be one of the widest in India, will also give us the kind of special products we need. The Raigad expansion we are carrying out will have a rail and section configuration, again on the value-added side. Our {? 2,600 mm ?} wide CSP in Dolvi also gives us the necessary width to meet plate requirements at a much lower cost point. Therefore, the special product category is gradually increasing, and we will continue to add more value-added downstream facilities as well.

Pinakin – HSBC: Understood. Thank you very much.

Operator: Thank you. We have the next question from the line of Parthiv Jhonsa from Anand Rathi. Please go ahead.

Parthiv Jhonsa – Anand Rathi: Thank you for the opportunity. Continuing on capex, initially I believe you had a capex plan of about 1.26 trillion, and now you are talking about 1.48 trillion. I wanted to understand how confident you are, considering that the current steel cycle is still quite robust and supportive. However, we have seen in the past, with a couple of other peers, that if the steel cycle turns against you, the entire stress ultimately comes onto the balance sheet. How confident are you, given that the timeframe is only five to six years?

Management: Your question is about our confidence in managing the capex cycle while the markets remain available. I think I will request Swayam to add to this.

Swayam Saurabh – CFO: This capex build does not rely on significantly positive steel prices. If you look at our current scale, add Dolvi, which will be available next year, and assume a normal pricing environment or even a stressed pricing environment for one or two years, you will realize that we are still generating enough cash. On average, we would need {? 25-30 thousand crore ?} a year, and that could largely be self-funded. Any temporary cash gap, given that we currently stand at 1.28 times net debt to EBITDA, can be managed by temporarily increasing debt if needed. Overall, at this stage, we remain very confident, and this capex plan does not rely on a very positive steel price cycle for a long period.

Management: Also keep in mind that the opportunity India is offering today, in terms of demand and growth potential, makes it sensible for us to be able to... [trails off]

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Management: ...execute and take up the projects in time so that we are able to meet the demand the country is forecasting. The draft new national policy for 2047 is also forecasting demand of 500 million tons and capacity of 600 million tons. Directionally, what you see in India from that standpoint requires capacities to be established. We are quite confident that our balance sheet is very strong. We do not see any concern regarding liquidity. We have sufficient headroom to complete the projects.

Management: If I can add one more thing, if you look at our current quarter results, despite the quarter involving almost 6,500 crores of capex, we actually generated free cash and brought our debt down. This ability to generate free cash will continue. Prices could come down and EBITDA margins could decline somewhat, but we are going to add volumes next year, Dolvi 3 will come, and we are fairly confident about our ability to generate absolute cash.

Parthiv Jhonsa – Anand Rathi: That is quite helpful. My second question relates to one of your remarks in the opening comments, where you said that water could be a challenge. If I read a couple of annual reports from one of your group companies, they clearly mention that water charges, with water treated as a raw material, are expected to increase by more than 2.5x over the next decade. Given that you have one of the widest and most extensive manufacturing footprints across India, could this be a challenge, or is it adequately covered?

Management: I do not think we mentioned water in our current opening remarks, but water requirements in a steel plant are a key requirement. We are taking all steps to ensure that water linkages are established at each location to meet our demand. Would you like to add anything else? The cost is not material enough to significantly impact our overall steel cost.

Management: As far as our specific water consumption per ton of steel produced is concerned, it is probably among the lowest compared with the best companies. A number of initiatives are being taken at each location to recycle water, including RO plants, recycling, and reuse. We are tying up with the nearest water resources and reservoirs at each location to take care of future requirements. For example, at our Vijayanagar facility, we have created a reservoir with storage capability for 300 days of operation. We are taking steps and measures, including pipeline linkages to our plants, to ensure that water is available.

Parthiv Jhonsa – Anand Rathi: Excluding Vijayanagar, do you have sufficient sanctions from the state governments? Water is practically not fungible between the two facilities at the end of the day.

Management: Yes, we do.

Management: Each project was established with those permissions from the state.

Parthiv Jhonsa – Anand Rathi: Perfect. Thank you very much.

Operator: Thank you. We have the next question from the line of Ritesh Shah from Investec India. Please go ahead.

Ritesh Shah – Investec India: Thank you for the opportunity. My first question is on incremental cost levers. There might be several variables. Could you identify the top three variables that one should

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watch? Specifically, my interest is in the coking coal mine. Could you highlight the cash cost, delivered cost, equivalent grade premium pricing, and the resulting cost differential? In addition, I think the sizing of the furnaces is quite large compared with historical levels. The third variable is probably logistics, and the fourth is renewable energy. If you could provide some numbers, that would be helpful. That is the first question.

Management: We will not be able to provide coking coal costs and details right now. As we have already forecast, we are taking the Mozambique coking coal capacity to 9 million tons of hard coking coal. Illawarra has 2 million tons of hard coking coal capacity, which covers most of our requirement for PLV coal until the end of this decade. We continue to develop domestic coking coal and will be able to generate about 3.5 million tons, as we indicated. Taken together, these sources would provide us with captive linkages of approximately 15 million tons, giving us adequate security.

The cost structure for both domestic coal and Mozambique coal is expected to be lower than international prices. Regarding the other cost lever, namely the larger blast furnaces, they are all of larger volumes and therefore inherently provide better productivity, lower fuel rates, and lower manpower requirements. They are more cost-effective than the smaller furnaces that may have been present in older operations. The third factor you asked about was larger coking coal and larger furnaces...

Ritesh Shah – Investec India: [crosstalk] Logistics and renewable energy.

Management: Regarding renewable energy, we have already commissioned more than 1,000 MW. We are in the process of commissioning the balance 1.5 GW that has already been approved. We will therefore have more than 2.5 GW of renewable energy. Our aim is to convert as much of the thermal coal we use today as possible to non-fossil energy, and we will continue to add more renewable capacity either through offtake in the market or by setting it up through a joint captive system.

On logistics, we have already provided details of the slurry pipeline in Odisha. That project is likely to be completed by March 2027 and will provide us with benefits. Our pipe conveyor at Vijayanagar, with some additional clearances, is able to operate at a higher capacity than earlier. That will also improve our logistics. We have built railway wagons, both through our own schemes and through other companies, under schemes announced by the railways. This gives us better control over railway wagon movement across the country. We continue to take steps to further improve logistics, including electric vehicles for closed-circuit supplies from the plant to nearby destinations. These initiatives will also be added as we move forward.

Ritesh Shah – Investec India: I will try it the other way around. Hypothetically, if safeguard duties are removed and are not renewed, would all these measures more than adequately make up for the loss of the safeguard impact?

Management: These measures, along with others, would do so. We continue to take steps, and we have just discussed value-added downstream products. Larger furnaces, raw material security, value-added and special products, and the logistics savings we will achieve will all structurally improve our cost profile. Together, these measures should shield us from the kinds of challenges

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we may face from the threat of imports.

Ritesh Shah – Investec India: That is helpful. My second question is whether you would be more constructive on flat or long pricing over the next three months. I am asking specifically because, as we understand it, there is an element of higher electricity tariffs in certain parts of the country, which is affecting the economics of induction furnaces and electric arc furnaces and potentially causing some disruption to the supply curve, which could push up long product prices. If we take this particular variable into account, how are we looking at flat versus long prices?

Management: In long products, primary industry integrated steel producers probably account for 30%–35%, while the balance of 65%–70% is with the secondary sector. Therefore, there are many small producers across the country, and we have seen greater volatility in long product prices.

Going forward, our aim is to add value in long products where we see opportunities for more value-added products. For example, we see value in the beam plants and rail mill that we are setting up. Steel construction is shifting significantly toward beam-based or plate-based construction. We are trying to participate in those products in addition to the normal long products we already have. We are also adding capacities in alloy steel where we see value and demand. These are the areas we will focus on in the long products space.

Flat steel continues to be our mainstay. We see significant flat steel demand based on the automotive sector, institutional sales, appliances, and renewables. Flat steel therefore remains an area of focus. On the price side, it would be very difficult to forecast which category will perform better as we move forward, but this is the focus that JSW Steel has across flat and long products.

Ritesh Shah – Investec India: Just one last quick question. Is evacuation a problem either at Dolvi or Vijayanagar for finished steel products?

Management: As of now, no. In the eastern region, we had some challenges regarding raw material rake availability because some rakes were diverted to the power sector. Other than that, we have not faced any challenges.

Ritesh Shah – Investec India: This is useful. Thank you very much, and all the best.

Operator: Thank you. We have the next question from the line of Darshan Mehta from Dolat Capital. Please go ahead.

Darshan Mehta – Dolat Capital: Thank you for giving me the opportunity. I have some bookkeeping questions. Could you tell us the stamp duty amount paid in Q2 for JJSL?

Management: The stamp duty impact taken for JJSL was 276 crores, and this is on a system-wide basis.

Darshan Mehta – Dolat Capital: One more question was on the debt side. Could you tell us how much of our debt is dollar-denominated and how much of it is hedged?

Management: Historically, we followed a policy of covering 12 months forward. Of late, however, we have increased our total hedged position. In gross terms, our dollar exposure, which was over $6

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billion at the beginning of last year, has come down dramatically and is now closer to $3.5–$3.6 billion.

Darshan Mehta – Dolat Capital: From $6 billion, you are saying that we are now at around $3 billion to $3.5 billion. Okay.

Management: It is over $3.5 billion. We repaid a significant amount of our expensive debt during the first half of this year. As you may have noticed, our gross debt has gone down by more than 29,000 crores. Expensive debt has been paid off in dollar terms. We have also repaid one $500 million bond and another $500 million bond in October. The latter was due in April, and we prepaid it under the contractual option available to us.

Darshan Mehta – Dolat Capital: Okay. Thank you.

Management: We are reducing our exposure and balancing our exposure on the foreign exchange side.

Darshan Mehta – Dolat Capital: Understood. Thank you.

Operator: Thank you. We have the next question from the line of Amit Murarka from Axis Capital. Please go ahead.

Amit Murarka – Axis Capital: Thank you for the opportunity. As you aim to expand capacities to 50 and 70 eventually, I wanted to check how your product mix will change. Will it remain as it is now, or do you expect it to shift more toward other products?

Management: Is your question about flat versus long products, or downstream versus...?

Amit Murarka – Axis Capital: Not just flat and long products, but also the mix between HR, CR, and other categories. If you could share your broad thoughts on that.

Management: From a product availability perspective, we are trying to map the products that India will require and accordingly establish capacities that can meet that demand. In the downstream space, as Pinakin also asked, we see strong growth in the value-added segment. I think the growth is in double digits. In our capacity additions, we are therefore trying to ensure that we add capacities capable of meeting that demand.

Regarding specialty steel, we have already discussed CRNO, electrical steel, transformer steel, and CRGO. Because of electrification and the shift toward greater electricity usage, these products will be in strong demand. We are establishing capacities to meet that demand. We are adding tinplate capacity because we are seeing packaging move toward sustainable packaging, and we are adding capacity in those areas as well.

In bearing steel, we see demand in India and internationally. We have added some capacity in Salem and debottlenecked some of our lines to produce more bearing steel. Regarding the BMM asset that we recently announced, we will also be adding more alloy steel and focused long steel capacity. The rail mill in Raigarh will be...

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Management: ...another value-added offering to the market. We continue to look at opportunities and add product lines that will enable us to meet market demand.

Amit Murarka – Axis Capital: That is helpful. I understand that these are detailed downstream-oriented plans, but I was looking more at headline steel production in terms of CR and HR. Will those proportions also change, or would you broadly maintain the mix between rebars, HR, and CR?

Management: From the flat steel point of view, our basic aim is to ensure that the percentage of value-added and special steel remains broadly at the current level, if not improves. That will be our focus. Our flat steel component is higher and will remain higher as we grow our capacity.

Amit Murarka – Axis Capital: Understood. That is helpful. Thank you.

Operator: Thank you. As there are no further questions, I would now hand the conference over to the management for closing comments.

Management: Thank you very much. We continue to remain very confident about the outlook for growth in India. Demand continues to be very strong. H2 looks very strong. Our balance sheet has the strength and profile today to enable us to fast-track our capex in line with what we have guided for FY32. We have added capex accordingly, and we will continue to focus on raw material security as we build our steelmaking volumes. We have already outlined our value-added and special products, and we are continuing to invest in them as well. We remain very optimistic about growth in India going forward through this decade. Thank you.

Operator: Thank you. Thank you for joining us, and have a good weekend. On behalf of JSW Steel Ltd, that concludes the conference. Thank you for joining us, and you may now disconnect your lines.

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.

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